

# **Assessment of the Socio-Economic Impact of Alternative Livelihood Programmes of Newmont Ghana Gold Limited on Selected Communities in Asutifi District, Ghana**

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**ABSTRACT:** The mining industry plays vital roles in the economy of Ghana. To ensure smooth and peaceful operations, mining companies need the support of catchment communities. This is done through employment and introduction of alternative livelihood programmes for people from such communities. This study seeks to assess socio-economic impacts of alternative livelihood programmes of Newmont Ghana Gold Limited on some selected communities in Asutifi district, Ghana. The objectives of the study were to assess contributions of the programmes to employment and income generation, sustainability of the programmes and strategies used in the implementation process. Data was collected through questionnaire administration, key informants interviews and desk study. Majority of the respondents (92.5%) were interested in the programme. The study revealed that although there have been some form of employment (33.8%) and marginal improvement in income (18.8%) levels of participants, majority (66.2%) of respondents indicated that their expectations in terms of employment are yet to be met. It further revealed that the programmes were sustainable (50.0%) and also strategies used depend on types of programme and target objectives. It is recommended that participants must have access to micro-credits to enable them make use of skills acquired by establishing their own private businesses.

**KEYWORDS:** sustainability, alternative livelihood programme, mining, level of income, socio-economic

## **I. INTRODUCTION**

Establishing cordial relations between mining companies and stakeholder communities are very crucial and anything short of this is likely to disturb the peace and smooth operations of companies. Socio-economic conflicts usually arise as a result of land-use conflicts with other economic activities; land being the main source of livelihood for these communities. As mining companies cannot employ every member of a mining community, there is therefore the need to develop alternative livelihood programmes. Livelihood comprises people, their capabilities and their means of living including food, income and assets [1]. Livelihood is said to be sustainable when it can cope with and recover from shocks and stresses and maintain or enhance its capabilities and assets now and in the future while not undermining the natural resource base. According to [2], alternative livelihood programmes are initiatives that utilize indigenous local customs and knowledge to take advantage of available natural resources for the benefit of individual and societal needs.

Recent comments on gold mining and its consequences are shifting from the recount of its many advantages to an emphasis on the environmentally and socially adverse effects on livelihood. Moreover, in many mining communities in Ghana, farmlands are degraded and people do not get adequate compensation for loss of land and property. It is therefore not surprising that many organizations have been established to regulate and monitor gold mining activities in order to minimize its negative impact on mining communities[3].

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Newmont Ghana Gold Limited took over Ahafo operation from Normandy Mining Company Ltd in 2003. Since it began its operation, it has introduced many alternative livelihood programmes to compensate for loss of agricultural lands to affected communities. The purposes of these programmes are to reduce the community's economic dependence on the mines, and develop alternative and sustainable employment opportunities for stakeholder communities [4].

Some aspects of the programmes involved training of people in mushroom production, soap making masonry, carpentry, welding and painting. Others involved apprenticeship programmes for graduates from the catchment communities with an idea to employ them and many other poverty reduction initiatives. Also, the company established the Ahafo Development Fund where for every ounce of gold one dollar was dedicated for developmental projects within the area [5].

This study therefore seeks to assess the socio-economic impact of the programmes introduced by the company. The objectives are to assess contributions of the programmes to employment and income generation, assess strategies employed by Newmont in implementing the programmes and assess the sustainability of the programmes.

## II. MATERIALS AND METHODS

### 2.1. Study area

The study was conducted in Asutifi District in the Brong Ahafo region of Ghana. The district was created in 1988 and is one of the districts classified by the Ministry of Local Government as deprived. The district is located between latitudes  $6^{\circ}40'$  and  $7^{\circ}15'$  North and Longitudes  $2^{\circ}15'$  and  $2^{\circ}45'$  West. It shares boundary with Dormaa Municipal to the North-West, Sunyani Municipal in the North, Tano District in the North East, Ahafo Ano District in the South East and Asunafo District in the South-West. It is one of the smallest districts within Brong Ahafo with a total land area of 1500 square km [6]. There are a total of 117 settlements in the district. Out of these, only two, Kenyasi and Hwidiem are urban settlements having a population of over 5000. Kenyasi is the capital town and is about 50km from Sunyani, the regional capital [7].

### 2.2 Demographic characteristics

According to the National Population and Housing Census(2000), the district has a population of about 84,475 with a growth rate of 3% per annum. About 54% of the people are migrants mainly Ashantis with Bonos the indigenes constituting only 9% of the population. With the advent of Newmont Gold Ghana Limited, migration pattern is likely to change. The district has been described as typically rural. As a result of low population growth rate in the district, a large of the population falls within the working age group. The predominant economic activity in the district is subsistence agriculture (mostly farming) which engages 77% of the communicably active labour force [7].

### 2.3 Data collection

The study was carried out in four communities in the district namely Kenyasi No. 1, Kenyasi No. 2, Ntotoso and Wamahinso. A sample size of 80 respondents was taken for the purpose of this study. This was made up of 20 people from each of the four selected communities who were involved in the programmes. Views of key informants such as the community relations superintendent of Newmont, NGOs, assemblymen, youth leaders, unit committee chairmen, chiefs and other opinion leaders were solicited. Qualitative and quantitative data from both primary and secondary sources were obtained to suit problems identified. Primary data was necessary in order to obtain first-hand information on the central themes captured in the study. Secondary data was to give an insight into the study and enable examination of the various views and works on the study. Primary data were collected through interviews, field visits and administration of questionnaire. Secondary data were obtained from literature on existing reports about the subject under study.

### 2.4 Sampling design and technique

Purposive sampling was used to select the respondents from the communities, but for each town convenient sampling was used to select those who were involved in the programmes.

# International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 3, Issue 12, December 2014

## 2.5 Data analysis and presentation

Data collected from the selected communities was analysed using the Statistical Package for the Social Sciences (SPSS). The data was then presented in the forms of tables.

## III. RESULTS

### 3.1 Characteristics of Respondents

#### 3.1.1 Sex and Age of respondents

Out of the eighty (80) respondents interviewed from the four communities, 66.2% were males while the remaining (33.8%) were females. Most (96.3%) of the respondents were between 21-60 years as shown in Table 3.1

Table 3.1 Age groups of respondents

Age groups	Number of respondents	Percentage of respondents (%)
21-30	18	22.5
31-40	20	25.0
41-50	22	27.5
51-60	17	21.3
61-70	1	1.2
71-80	2	2.5
Total	80	100.0

#### 3.1.2 Number of years' respondents have been engaged in the programmes

33.8% of the respondents have been part of the programmes for less than a year, 60.0% between 1-2 years and the remaining 6.2% from 3-4years as depicted in Table 3.2.

Table 3.2 Numbers of years' respondents have been engaged in the programmes

Years involve	Number of respondents	Percentage of respondents (%)
Less than a year	27	33.8
1-2yrs	48	60.0

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(An ISO 3297: 2007 Certified Organization)

Vol. 3, Issue 12, December 2014

3-4yrs	5	6.2
Total	80	100.0

### 3.3 Contribution of the alternative livelihood programmes to employment

Majority of respondents (66.2%) indicated that the programmes have not brought employment while the remaining (33.8%) stated otherwise. Out of 27 respondents who said the programmes have brought employment, 81.5% indicated that most people are now self-employed, 3.7% said people are now into farming and the remaining 14.8% said people have been trained and absorbed into the company. With regards to the 53 people who indicated that the programmes have not generated employment opportunities, 11.3% said that people are not interested in the programmes, majority (79.2%) indicated that income obtained from the programme is inadequate while 9.4% specified that there is no capital to expand their business (contradicts 3.4 and 3.5)

### 3.4 Change in income levels

18.8% of respondents reported increment in their income through the programmes, 2.5% indicated decrease in income while the remaining 78.8% indicated no significant change in income after joining the programmes (Table 3.3).

**Table 3.3 Change in income level of respondents**

Income levels	Number of Respondents	Percentage of Respondents (%)
Increased	15	18.8
Decreased	2	2.5
No change	63	78.8
Total	80	100.0

### 3.5 Respondents' interest in the programmes

Out of the 80 respondents, majority (92.5%) indicated that they were interested in the programmes as against 7.5% who specified otherwise (Table 3.4)

**Table 3.4 Respondents' interest in the programmes**

Interest in the programmes	Number of respondents	Percentage of Respondents (%)
Interested	74	92.5

**International Journal of Innovative Research in Science,  
Engineering and Technology**

(An ISO 3297: 2007 Certified Organization)

Vol. 3, Issue 12, December 2014

Not interested	6	7.5
Total	80	100.0

**3.6 Sustainability of the programmes**

Opinions of the respondents were sought about the sustainability of the alternative livelihood programmes. Out of the 80 respondents, 50% said the programmes were sustainable, 28.8% indicated that it was not sustainable while 21.2% were not certain as to whether the programmes were sustainable or not (Table 3.5). Most of the respondent (92.6%) added that they had ready market while 7.4% had no access to ready market.

**Table 3.5 Opinion of respondents about the sustainability of the alternative livelihood programmes**

Sustainability of the programmes	Number of respondents	Percentage of respondents (%)
Sustainable	40	50.0
Not sustainable	23	28.8
Not certain	17	21.2
Total	80	100.0

**3.7 Strategies for implementing alternative livelihood programmes**

Different strategies were employed for implementing different programmes. The strategies identified were;

1. Training with start-up resources: This involves provision of materials such as improved agricultural inputs and breeds of animals, compost bags (for mushroom) beehives (beekeeping) etc. after the training. Figures 1 and 2 show beneficiaries of such strategies.
2. Facilitating land access for every person who was compensated by the company for cropped land and who, at present, does not have access to land for cropping, or who has access to less than two acres of arable land.
3. Vocational and technical training: vocational skill training involves training in areas such as carpentry, masonry, catering, plumbing, welding while technical skills training involves soap making, batik, tie and dye, beekeeping, mushroom production, etc.

Out of the 80 respondents interviewed, majority (77.5%) indicated that they were given start-up resources after the training while 22.5% indicated otherwise. 77.5% of the respondents specified that the training strategy should be maintained whiles (22.5%) indicated that the strategies should be improved.



**Figure 1: Abeneficiary with his pigs**



**Figure2:Beneficiary with mushrooms**

#### IV. DISCUSSION

##### 4.1 Contribution of the alternative livelihood programmes to employment

Contribution of the alternative livelihood programmes to employment was assessed based on employment opportunities the programmes have brought to the communities. [8] stated that as part of their corporate social responsibilities, mining companies provide technology transfer and skilled employment training for local populations to enhance their chances of getting employment to improve their living standards. From the research, some people (33.8%) have gained employment through these programmes. The community leaders supported this assertion by respondents. This percentage may be due to the fact that the programmes were relatively new. This confirms Aryee et al. [9] who stated that Newmont mining company does not only create employment through gold production, but it also focuses on developing the capacity and skills of mine affected people in order to improve their living standards. This finding is consistent with many alternative livelihood studies of mining companies. Some people usually get employment through such programmes.

##### 4.2 Contribution of the alternative livelihood programmes to income

The research showed that the programmes have not had any significant effect on income levels of beneficiaries. Alternative livelihood programmes are thought of in the context of providing livelihood that may replace or supplement existing livelihood that do not generate sufficient incomes to enable those engaged in it live decent lives [10]. One respondent who was engaged in mushroom production stated:

*“Every day when I sell this mushroom I get GH¢2.00. I have children to cater for and other family responsibilities to perform, so considering this amount, do you think I can depend on this alone for a living” (Respondent, Ola resettlement Kenyasi No: 2).*

This may be due to the fact that the respondents have not been engaged in the programmes for long as depicted in table 3.2. Again the programmes are not on a large scale basis, the participants do it as addition to their main occupation. This confirms [11], who reported that most rural people engage in more than one livelihood activity as a source of livelihood. Also the programmes were relatively new, income realization through the programmes were not significant. There is evidence that the programmes have so far not accomplished the task of positively improving income levels of participants. It can also be argued that the programmes were relatively new and may turn up to improve their income in the long run. But indications show that this may be difficult since there is the tendency of further decline in the number of participants due to low income. The participants do not approach the alternative livelihood programmes with the requisite business management principle as discussed by [12].

##### 4.3 Respondents Interest in the alternative livelihood programmes

Even though the programmes have not done much in terms of employment and income generation, the respondents' interest in them were still high (92.5%). Among reasons given were lack of viable options, possibility of increase in income in the future, serving as sources of employment if it can be expanded and also serving as food for the family. The respondents who said they were not interested indicated that the breeds of animals given to them as start-up resources especially the sheep were not healthy. They also lamented that the facilitators do not tell the truth to the participants. As the youth leader at Ntotroso reported;

*“Nowadays people don't go for OICI meetings anymore because they don't tell us the truth”*

##### 4.4 Sustainability of the alternative livelihood programmes

Majority (50%) of the respondents indicated that the programmes were sustainable. This assertion is contrary to the findings of Anane et. al. [13] who stated that, “alternative livelihood programmes of Newmont Ahafo south projects were unsustainable”. Community leaders and company officials interviewed also stated that the sustainability of the programmes depends much on the communities involved. Ackom-kwaw et. al. [14] reported that in planning for alternative livelihood programmes the local people should be involved to know exactly what they want before such programmes are implemented.

The respondents who indicated that the programmes were not sustainable specified that under the agricultural improvement and land access programme, compensation for lost arable crop land is inadequate and there is no guarantee that economically and physically displaced populations will have access to agricultural land. [11] opined that

# International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 3, Issue 12, December 2014

a livelihood is sustainable when it can cope with and recover from stresses and shocks, maintained or enhance its capabilities and assets both now and in future while not undermining the natural resource base.

## 4.5 Strategies used in implementing the alternative livelihood programmes

Strategies used depend on the extent to which it goes into empowerment and capacity building of respondents for the alternative livelihood programmes. Both formal and informal education was used to train people for the programmes and was dependent on educational levels of participants. This confirms a study by Incoom et. al. [10] who stated that educational levels influence strategies used in implementing a particular alternative livelihood programme. The finding is also consistent with [15] who reported that 172 young people in Ahafo of the Brong-Ahafo region received City and Guilds certificates after a month of intensive training sponsored by Newmont Ltd. Eighty six of them who excelled were given the opportunity to go through two months of advanced training in level one structural work, electrical, millwright, mechanical and pipe fitting.

## V. CONCLUSION

The paper assessed the socio-economic impacts of alternative livelihood programmes of Newmont Ghana Gold Limited within the Asutifi district.

The study revealed that although there have been some employment as well as improvement in income levels of participants, majority of respondents indicated that their expectations are yet to be met..

The programmes are sustainable as indicated by majority of the respondents but community leaders and company officials maintain that the sustainability of the programmes depends much on the communities involved. The research shows that the company defines its own strategy based on target objectives and most of set goals would be achieved in the long run.

Based on the findings of the study, some recommendations were made. Participants must have access to micro-credits to enable them make use of the skills acquired by establishing their own private business. In addition effective monitoring measures must be put in place to ensure that beneficiaries utilize the skills obtained to enhance their living. Newmont and its partners should increase the number of beneficiaries to ensure that majority of people in the communities benefit and this will trickle down to the whole community at large. The start-up resource given to the participants after the training should be increased in order to get enough income to continue the programme.

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